

Housing & Land Delivery Board

Date	15 September 2021
Report title	Quarterly Report on Housing & Land Portfolio Deliverables and Progress on Housing & Land Annual Business Plan
Portfolio Lead	Housing & Land - Councillor Mike Bird
Accountable Chief Executive	Laura Shoaf, West Midlands Combined Authority
Accountable Employees	Gareth Bradford, Director of Housing & Regeneration Pat Willoughby, Head of Policy (Housing & Regeneration)
Report has been considered by	Quarterly reports have been considered since 2018 at Housing & Land Delivery Board and Housing & Land Steering Group

Recommendation(s) for action or decision:

The Housing & Land Delivery Board is recommended to note:

- (1) The **positive progress** underway to achieve the **Housing & Land portfolio's Annual Deliverables in Q2 2021** and the clear plans in place for progressing the agreed High Level Deliverables work programmes during the remainder of 2021/22.
- (2) The key performance highlights set out in Section 3.0.

- (3) The **positive performance and effective deployment of WMCA’s Devolved Housing and Land Funds**, illustrated by the Single Commissioning Framework schemes summarised in Appendix 1 to this report. Many of these schemes are now in **delivery phase** having progressed through the end to end SCF process which shows the role of WMCA in unlocking, accelerating and problem solving difficult to deliver schemes.

1.0 Purpose

- 1.1 The purpose of this paper is to **provide our regular quarterly update** on progress thus far and next steps in delivering the High Level Deliverables for the Housing and Land Portfolio as co-developed with Housing & Land Delivery Board throughout 2020/21 and agreed by WMCA Board in February 2021. As with previous years, the portfolio’s annual deliverables were co-developed with local authorities, industry taskforces and other partners in the region. They are fully informed by and aligned with the Housing & Land Recovery Strategy (approved by Housing & Land Delivery Board in September 2020), the WMCA Business Plan and the regional “Recharge” document from Summer 2020.
- 1.2 **During the second quarter of 2021/22 considerable progress has been made against each of these deliverables. This report provides a summary of the current position and highlights particularly notable progress.**

2.0 Background

- 2.1 As part of the formal process to determine the WMCA’s budget, levy and precept levels for 2021/22, the WMCA Board approves each portfolio’s annual deliverables. The Deliverables for the Housing and Land Portfolio were presented in draft at the WMCA Board of 15th January 2021 and agreed by the WMCA Board on 12th February 2021.
- 2.2 The table below sets out each of the approved Housing and Land High Level Deliverables alongside a summary of progress to date and, where appropriate, information on next steps.
- 2.3 In response to feedback from Delivery Steering Group and Housing & Land Delivery Board and to provide this Board with an update on the delivery of the first High Level Deliverable in the table (“Deliver our nationally leading brownfield regeneration and housing delivery programmes”), the appended document provides a synopsis of the schemes we have approved for investment to date or which are seeking approval through the Single Commissioning Framework to date. Due to commercial confidentiality we are unable to provide exact details of schemes which haven’t yet been approved.

3.0 Key Highlights Since Last Quarterly Report

- 3.1 Since the last quarterly report significant progress has been made on several of the High Level Deliverables (HLDs). The summary table in section 4.0 gives an update against each HLD for Quarter 2, whilst **this section is intended to highlight particularly notable advancements that have been made.**

- 3.2 **Delivery of our nationally leading brownfield regeneration and housing delivery programmes** has progressed well since the last quarterly update, with four schemes having been approved at Investment Board since the last Housing and Land Board met in Wolverhampton, Coventry, Nuneaton and Birmingham representing a total investment of over £10.5 million (see Appendix 1 for more detail). These four schemes have also contributed to the overall KPI and output requirements set by HMG and WMCA Board on all of our funds, as they will deliver more than 400 new homes towards the targets of the £100 million Land Fund and £84 million Brownfield Housing Fund.
- 3.3 The **development of compelling business cases** for Affordable Housing, Commercial Land and AMC funding is ongoing. Working groups have been established to co-develop these business cases with members of DSG and we would like to thank members of DSG for their excellent and continued support on this work. First drafts of these proposals have now been shared with senior Civil Servants and project pipelines are being refined with local authorities and our industry partners who are asked to continue to identify possible schemes and opportunities in their local areas for inclusion in these pipelines. These proposals remain on track for formal submission following initial steers and feedback to HM Government during Autumn 2021.
- 3.4 As part of our work to establish new partnerships and create strong investor engagement and developer relationships and in line with the high level deliverable for 2021/22 **we are developing a new Investment Prospectus with the West Midlands Growth Company, LEPs and local authorities**, scheduled to be launched in March 2022. A dedicated project team for the Investment Prospectus has been set up to develop a programme for the creation and production of the document, and the team has also been engaging with project sponsors, with a regional steering group launched in August 2021 building on the model which worked well in 2018 and 2019. We are in conversation with several investors and developers to form more strategic partnerships on the back of those with Urban Splash and Lovell. In Quarter 2 we have signed a new Memorandum of Understanding (MoU) with **St Modwen** to deliver 5,000 homes in the region.
- 3.5 Finally on affordable housing – the Help to Own scheme in Wolverhampton continues to progress at pace with the first homes due to be occupied in autumn 2021 and a review will be undertaken before its wider roll-out across the region. Furthermore, a **minimum** of 20% affordable housing has been secured on all the schemes approved under the SCF since the last Housing Board and the affordable housing business case is at forefront of negotiations with Government. Good progress is being made on the case for establishing a new regional Affordable Housing Delivery partnership with registered providers. Over the summer there has been real momentum on this; driving the development of options and delivery proposals by a joint working group of WMCA and housing association representatives. The significant progress made in Quarter 2 has helped to ensure we are on track for an Investment Board decision in 2021/22. A comprehensive report will be tabled at the next Housing and Land Board in Quarter 3

4.0 Progress and current activity: summary table

High Level Deliverable	Q2 Update
<p>Deliver our nationally leading brownfield regeneration and housing delivery programmes to achieve the prescribed KPIs and Output Requirements set by HMG and WMCA Board</p>	<p>This is an ongoing extensive programme of investments, interventions and disposals under the Single Commissioning Framework. During 2021 numerous multi-million pound schemes have been progressed all the way through the end to end journey and an increasing number of projects are now on site or in the delivery phase. A strong pipeline of schemes are going through due diligence processes ahead of Investment Board decisions later in the year (see appended document), in addition to those already approved via Investment Board in Q1 and Q2. There is a good pipeline of new projects coming through and extensive engagement with industry and local authorities to leverage private sector investment and maximise existing public investment.</p> <p>Delivery of the Housing Deal Land Fund programme remains ahead of trajectory to exceed the delivery target of 8,000 new homes and the programme for the new Brownfield Housing Fund and National Competitive Fund forecasts them performing ahead of schedule too. The first National Competitive Fund scheme has been approved at West Longbridge and Woodend Henley Manor Farm in Coventry was the first Brownfield Housing Fund scheme approved at Investment Board in June. Good progress has been achieved in leveraging wider benefits not anticipated by HMG (eg affordable housing, AMC, wider inclusive growth benefits)</p>
<p>Ensure delivery of the requirements of the 2018 Housing Deal and lead performance reporting to Government</p>	<p>Local Plan monitoring is a requirement of the Housing Deal and the H&R team reports on a monthly basis to MHCLG and support local authorities with local plan progress and evidence. This informs the dialogue held with MHCLG on a monthly basis, the submission of business cases and the quarterly reports included in Land Fund monitoring arrangements.</p> <p>Regular performance updates on the delivery of Brownfield Housing Fund (£84m) and National Brownfield Fund (£24m) are also now programmed on a quarterly basis with MHCLG alongside meetings with key civil servants, in line with the successful approach taken during the Land Fund monitoring.</p>
<p>Effectively develop, collaborate and submit compelling business cases for additional funding from HMG to deliver WMCA approved priorities</p>	<p>Business case proposals are being developed for Affordable Housing, AMC and Commercial Land. These are being fully co-developed with local authority officers, industry taskforces and other key stakeholders to inform negotiations with and submissions to HMG, with submissions throughout Summer/Autumn 2021. Project pipelines to support these proposals are also being developed with support and input from DSG members.</p>

	<p>Funding submissions for town centres and the Future Homes Standard are also under consideration.</p>
<p>Implement the approved Housing & Land Board Covid19 Recovery Strategy and Pipeline Development</p>	<p>The H&LB approved Recovery Plan (September 2020) continues to inform all the deliverables in this report and the work of the WMCA Housing and Regeneration Team, including the work on business cases for HMG, the approaches to Public Land and Employment land, and the development and implementation of town centre strategy.</p> <p>The project pipeline developed as part of the Covid-19 Recovery Strategy is constantly updated and reviewed with local partners at our regular 6 weekly engagement meetings and informs funding schedules and project identification for the SCF. Business cases to HMG and inclusions are reviewed on a regular basis with local partners through an extensive suite of bilateral conversations.</p>
<p>Establish new partnerships and joint ventures and delivery vehicles</p>	<p>Work is ongoing with registered provider partners to establish a new vehicle for affordable housing delivery. Discussions are ongoing with several developers to establish further Strategic Partnerships alongside those already in place with Lovell and Urban Splash and the newly signed MoU with St Modwen.</p> <p>Discussions are ongoing with public and private sector partners to create new joint ventures and delivery vehicles building on current joint ventures, like Help to Own and Friar Park JV.</p>
<p>Create strong investor engagement and developer relationships, working alongside West Midlands Growth Company</p>	<p>The West Midlands Investor Prospectus is programmed for revision and launch at MIPIM in March 2022. This project is being delivered with support from WMGC and the final document will supplement and complement individual area prospectuses and investment collateral. A dedicated project team is developing a programme for the creation and production of the document. As with previous documents this will be co-developed with local authorities, LEPs and industry partners. Project sponsors have been engaged and a steering group is launched in August 2021. Progress updates with the Investment Prospectus will be provided to Housing and Land Delivery Board throughout 2021/22.</p> <p>WMCA works closely with the British Property Federation in convening the Commercial Property Forum on a quarterly basis. Feedback and engagement with this forum has informed the emerging Commercial and Employment Land proposal and creation of investible propositions.</p>

<p>Develop and collaborate on identified policy development work that supports delivery of the Housing and Land Board’s KPIs and the Recovery Strategy</p>	<p>WMCA maintains frequent engagement with MHCLG & Whitehall more broadly on emerging policy issues and priorities, including employment land, AMC and affordable homes.</p> <p>Our industry led taskforces (eg town centres, commercial property, AMC, public land) act as critical friends and sounding boards for policy development.</p> <p>Working groups on specific policy areas – e.g. Employment Land, Town Centres, AMC – have been established with local authority representation.</p> <p>The H&R team are working closely with colleagues in TfWM to address shared priorities and establish joint approaches to investment in the region.</p>
<p>Town Centre Regeneration</p>	<p>Work is progressing on a Town Centre routemap, co-developed with local partners and the town centre taskforce that builds on the policy agreed by Housing and Land Board in 2020.</p> <p>WMCA investment in town centre schemes continues to progress via the Single Commissioning Framework (see appended document for specific examples).</p> <p>The regional Town Centre Taskforce is focussing on 3 priority areas for 2021/22: Engagement & Lobbying, Future of Town Centres, and the Role of Public Land in Town Centres. Small working groups have been established to tackle these priority areas and the second sessions of these workstreams have been held throughout July and August.</p>
<p>Advanced Manufacturing in Construction</p>	<p>The AMC routemap has been completed and approved and is scheduled for publication in September 2021</p> <p>An AMC business case proposal arising from announcements in the Budget 2021 is the subject of discussions with HMG, in addition to the £50m ask of Government included in the region’s 2020 “Recharge” document.</p>
<p>Zero Carbon Homes</p>	<p>The ZCH routemap has been completed and approved and is scheduled for publication in September 2021</p> <p>Business case proposal to HMG is to be scoped with ZCH taskforce over Summer 2021- timing of submission to HM Government is to be agreed.</p>
<p>Affordable Housing</p>	<p>Proposals for a regional Affordable Homes fund/funding are in development for submission to HMG over Autumn 2021.</p>

	The business case for the Affordable Housing Delivery partnership with registered providers is progressing towards Investment Board decision in 2021/22 with options and delivery proposals currently being developed by a joint working group of WMCA and housing association representatives.
Regional One Public Estate Programme	<p>The outcomes of OPE8 funding proposals have not yet been formally announced by the Cabinet Office and LGA but are expected in September/October 2021.</p> <p>Existing programmes for OPE6 & OPE7 continue to be managed and evaluated by the WM OPE Board.</p>
Public Land Taskforce	The Public Land taskforce has met twice and established smaller working groups which meet every 6 weeks to focus on key priority areas: Transport Hubs, Finance and Partnerships, and Best consideration and Best Value. A working group on Town Centres has been merged with the Town Centre Taskforce working group on the future of town centres. See separate agenda item on public land strategy.

5.0 Conclusions

5.1 The updates set out above and the appended SCF schemes quarterly update illustrate that the WMCA and local authority partners are making considerable progress together in achieving the Housing and Land Portfolio Deliverables for 2021/22. Further reports will be provided to Delivery Steering Group on a quarterly basis throughout the year.

6.0 Financial Implications

6.1 There are no un-budgeted financial implications as a result of the recommendations within this report. The majority of the work to achieve the Deliverables will be undertaken through existing in-house resource and any external support requirement will be funded from the Housing & Regeneration budget. Sites requiring acquisition or remediation will come, as appropriate, to the WMCA Investment Board.

7.0 Legal Implications

7.1 Section 10. 1 and schedule 3 of The West Midlands Combined Authority Order 2016 No. 653 (the Order) confers Economic development and regeneration functions to the WMCA in the CA area. Schedule 3 sets out a duty under section 69 of the 2009 Act for the CA to prepare an assessment of economic conditions.

7.2 By virtue of section 113A of The Local Democracy, Economic Development and Construction Act 2009 as amended by section 13 The Localism Act 2011 the WMCA may do anything it considers appropriate for the purposes of the carrying-out of any of its functions.

7.3 Section 22 (i) of the West Midlands Combined Authority (Functions and Amendment) Order 2017 expressly states that the power pay grant is a function exercisable only by the Mayor with Section 22 (2) requiring the Mayor to seek the assistance of members and officers in the exercise of this function.

7.4 There are no direct legal implications identified as a result of this report. However, the proposals set out in this report will have legal implications and risks in the future which will be considered at the appropriate time through future reports as necessary.

8.0 Equalities Implications

8.1 There are no immediate equalities implications in relation to this report. However, individual strategies and delivery schemes will need to take into account local area needs and local stakeholder needs to ensure the schemes benefit local residents, including harder to reach groups. To that effect equality impact assessments will need to be conducted to understand demographics, key inequality issues and how investment can help address key inequality gaps. Engagement and consultation with key equality stakeholders is also crucial.

9.0 Inclusive Growth Implications

9.1 The High level Deliverables have been developed in close consideration of Inclusive Growth principles and are themselves neutral when it comes to inclusive growth. However, implications will arise as investments are made and strategies are devised – in terms of who benefits from those investments and in who is involved in shaping and contributing to them. As such, any programmes should be devised with the responsibility to deliver inclusive growth.

10.0 Geographical Area of Report's Implications

10.1 The recommendations of this report apply to the whole of the WMCA area.

11.0 Other implications

11.1 None.

12.0. Schedule of Background Papers

12.1 None.